

IN THE UNITED STATES DISTRICT COURT  
FOR THE DISTRICT OF HAWAII

FILED IN THE  
UNITED STATES DISTRICT COURT  
DISTRICT OF HAWAII  
Jul 15, 2020, 11:24 am  
Michelle Rynne, Clerk of Court

UNITED STATES OF AMERICA, )  
 )  
 ) Plaintiff, )  
 vs. )  
 )  
 KENNETH JOHN RHULE, )  
 )  
 ) Defendant. )  
 \_\_\_\_\_ )

MAGIS. NO. 20-862 KJM  
AFFIDAVIT OF CLINT IGE

AFFIDAVIT OF CLINT IGE

CLINT IGE, after being duly sworn, deposes and states as follows:

1. I am a Special Agent with Homeland Security Investigations (HSI) and am currently assigned to Honolulu, HI.
2. Attached hereto and incorporated herein by reference as Exhibit "1" is a true and correct copy of an arrest warrant issued by the U.S. District Court for the Western District of Washington on July 1, 2020, for the above-named defendant, Kenneth John Rhule, in Criminal Case 20-mj-390BAT. This warrant was presented to me on July 14, 2020, by HSI Special Agent Kyle Maher, assigned to the Seattle, WA office. As indicated in the warrant itself, the underlying basis for this arrest was a Complaint, which charged the following violations: Conspiracy to Manufacture and Distribute Marijuana or Marijuana Distillates (Count 1).


Pursuant to this warrant, defendant Kenneth John Rhule was arrested in this District yesterday at about 2:20 p.m.

FURTHER AFFIANT SAYETH NAUGHT.

A handwritten signature in black ink, appearing to read 'CLINT IGE', written over a horizontal line.

CLINT IGE, Special Agent  
Homeland Security Investigations

Sworn to under oath before me telephonically,  
and attestation acknowledged pursuant to  
Federal Rule of Criminal Procedure 4.1(b)(2)  
on July 15, 2020:

A handwritten signature in black ink, appearing to read 'Kenneth J. Mansfield', written over a horizontal line.  
Kenneth J. Mansfield  
United States Magistrate Judge

## UNITED STATES DISTRICT COURT

for the

Western District of Washington

United States of America  
v.  
KENNETH JOHN RHULE

Case No. MJ20-390

CERTIFIED TRUE COPY  
ATTEST: WILLIAM M. MCCOOL  
Clerk, U.S. District Court  
Western District of Washington

By Shawn K. Miller  
Deputy Clerk



Defendant

## ARREST WARRANT

To: Any authorized law enforcement officer

**YOU ARE COMMANDED** to arrest and bring before a United States magistrate judge without unnecessary delay  
(name of person to be arrested) KENNETH JOHN RHULE  
who is accused of an offense or violation based on the following document filed with the court:

☐ Indictment    ☐ Superseding Indictment    ☐ Information    ☐ Superseding Information    ☒ Complaint  
☐ Probation Violation Petition    ☐ Supervised Release Violation Petition    ☐ Violation Notice    ☐ Order of the Court

This offense is briefly described as follows:

21 U.S.C. §§ 841(a)(1), 841(b)(1)(A), and 846 (Conspiracy to Manufacture and Distribute Marijuana or Marijuana Distillates)

Date: July 1, 2020

Issuing officer's signature

City and state: Seattle, Washington

Brian A. Tsuchida, United States Magistrate Judge  
Printed name and title

## Return

This warrant was received on (date) 07-14-20, and the person was arrested on (date) 07-14-20  
at (city and state) Honolulu, Hawaii

Date: 07-14-20

Arresting officer's signature

HAI TFO Clint Ige  
Printed name and title

The Honorable Brian A. Tsuchida

CERTIFIED TRUE COPY  
ATTEST: WILLIAM M. MCCOOL  
Clerk, U.S. District Court  
Western District of Washington

By Sofia Prather  
Deputy Clerk



UNITED STATES DISTRICT COURT FOR THE  
WESTERN DISTRICT OF WASHINGTON  
AT SEATTLE

UNITED STATES,

Plaintiff,

v.

KENNETH JOHN RHULE,

Defendant.

NO. MJ20-390

**COMPLAINT FOR VIOLATION**

Title 21, United States Code, Sections  
841(a)(1), (b)(1)(A), and 846

BEFORE United States Magistrate Judge Brian A. Tsuchida, Seattle, Washington.

The undersigned complainant being duly sworn states:

**COUNT 1**

**(Conspiracy to Manufacture and Distribute Marijuana or Marijuana Distillates)**

Beginning no later than October 2014 and continuing until at least in or about March 2020, in Snohomish County, within the Western District of Washington, and elsewhere, the defendant, KENNETH JOHN RHULE, and others known and unknown, did knowingly and intentionally conspire to manufacture and distribute marijuana, a Schedule I controlled substance under Title 21, United States Code, Section 812.

It is further alleged that the conduct of KENNETH JOHN RHULE, as a member of the conspiracy charged in this Count, which includes the reasonably foreseeable

1 conduct of other members of the conspiracy charged in this Count, involved 1,000  
2 kilograms or more of a mixture and substance containing a detectable amount of  
3 marijuana.

4 All in violation of Title 21, United States Code, Section 841(a)(1), 841(b)(1)(A),  
5 and 846.

6 And the complainant states that this Complaint is based on the following information:

7 **I, Ernest McGeachy, being first duly sworn on oath, depose and say:**

8 1. I am a Special Agent with the U.S. Department of Homeland Security,  
9 Immigration and Customs Enforcement ("ICE"), Homeland Security Investigations  
10 ("HSI"), assigned to the Special Agent in Charge ("SAC"), in Seattle, Washington. I  
11 have been a special agent with HSI since October 2010. HSI is responsible for enforcing  
12 the customs and immigration laws and federal criminal statutes of the United States. As  
13 part of my duties, I investigate criminal violations relating to cybercrimes on the Dark  
14 Net, narcotics, and human smuggling and trafficking. I have investigated and/or  
15 participated in many federal criminal investigations involving narcotics, human  
16 smuggling and trafficking, and cybercrimes on the Dark Net.

17 2. I am a graduate of the Federal Law Enforcement Training Center  
18 ("FLETC") Basic Criminal Investigator Training Program, the Immigration and Customs  
19 Special Agent Training Program, and the Naval Criminal Investigative Service ("NCIS")  
20 Special Agent Training Program. Before joining HSI, I worked as a special agent with  
21 NCIS, and as a Customs and Border Protection officer. I have been a federal law  
22 enforcement officer for over twenty years. I hold a bachelor's degree in Political Science  
23 from Western Washington University. I also hold a master's degree in Human Relations  
24 from the University of Oklahoma.

25 3. This affidavit is made in support of a complaint for the arrest of  
26 KENNETH JOHN RHULE for violations of Title 21, United States Code, Sections  
27 841(a)(1), 841(b)(1)(A), and 846 (Conspiracy to Manufacture and Distribute Marijuana  
28



1 or Marijuana Distillates). Because this affidavit is submitted for that limited purpose, I  
2 am not including every fact known to me about this defendant or the larger investigation.

3 4. The information in this affidavit is based upon the investigation I have  
4 conducted in this case, my conversations with other law enforcement officers who have  
5 engaged in various aspects of this investigation, and my review of reports written by  
6 other law enforcement officers involved in this investigation.

7 5. This affidavit is being presented by electronic means pursuant to Local  
8 Criminal Rule 41(d)(3).

9 **PROBABLE CAUSE**

10 **I. Summary of Investigation**

11 6. The DEA and Homeland Security Investigations (“HSI”) have been  
12 investigating whether KENNETH JOHN RHULE (hereinafter referred to as “RHULE”),  
13 his son Kenneth Warren Rhule, and others, manufactured and distributed marijuana  
14 distillates and extracts, in violation of 18 U.S.C. §§ 841 and 846.

15 7. That investigation has shown that, from at least October 2014 until March  
16 2020, RHULE, along with his co-conspirators, manufactured and sold marijuana  
17 distillates and extracts. These marijuana distillates and extracts include those referred to  
18 as “wax,” “shatter,” “clear,” and marijuana buds—products that contain THC and are  
19 regulated by the State of Washington. Despite selling marijuana products, neither  
20 RHULE nor his company, HerbinArtisans, is listed as an applicant or licensee to produce,  
21 process, transport, or sell marijuana or marijuana products in the State of Washington.

22  
23 **II. RHULE’s Manufacture and Sale of Marijuana Distillates and Extracts**

24 8. Since at least October 2014, RHULE, along with Kenneth Warren Rhule  
25 and others, has been manufacturing and selling marijuana distillates and extracts. As  
26 described herein, RHULE: (1) made the initial capital investment necessary to  
27 manufacture marijuana products, (2) produced and sold marijuana distillates and extracts,

(3) recorded sales and inventory for HerbinArtisans—the label used by RHULE to sell his products, and (4) profited from the illicit marijuana sales.

**A. Initial Operations**

9. RHULE, along with Kenneth Warren Rhule and others, began manufacturing and selling marijuana products no later than October 2014.

10. RHULE provided a substantial portion of the initial capital needed to begin growing and distilling marijuana. RHULE described these investments in the following text messages sent to his son, Kenneth Warren Rhule:

a. According to a text message sent by RHULE on March 30, 2015, RHULE told his son, in relevant part: “I’ve got well over 6 figures into this, and I’ve received a grand total of \$425 from a QP on the first aero trial run.”

b. Similarly, on April 21, 2015, RHULE sent a message to his son, which stated, in part:

All working capital has come from me, all infrastructure has come from me, all tools, equipment, inventory, vehicles, etc. have come from me, the building rent and utilities are paid by me, and he is still having a hard time cash flowing... Like I told [J] day 1... You need to model the business around a dead minimum of \$200k per month in revenues, otherwise the baseline expenses will be too high to make any worthwhile profits...

11. In these conversations with Kenneth Warren Rhule, RHULE also described the quantity of marijuana they hoped to grow and sell, along with the profits they expected to make.

a. For example, on March 30, 2015,<sup>1</sup> RHULE told his son, in relevant part:

This op at the warehouse is 95% done. It’s setup to generate 2535lbs per room every 60 days (which is 2535 lbs once per month out of alternating rooms) that is \$5070k per month, plus the trim that it yields. That, along with supplemental oil to keep the system running is another 2535k per

<sup>1</sup> This is a continuation of the text message described in the prior paragraph.

1 month. That can be run smoothly with just [C and M2] (or 2 employees ).  
2 That's roughly 100k per month in revenue with costs of less than 18k per  
3 month... That leaves us with 80k per month for you and I. When the  
4 construction is finished, that output becomes a walk in the park. As the  
5 employees get familiar with the systems, they dial them in further and can  
6 do it in their sleep. It doesn't need to be stressful. It doesn't need [M], end  
7 user sales, etc. Simply moving volume wholesale to a small handful of  
8 people. After the setup is done, this whole thing can operate with A couple  
9 of people, it really won't be that involved. It's time consuming because it  
10 involved construction and learning the industry. Both of those variables are  
11 nearly complete now.

12 b. Similarly, on August 7, 2015, RHULE sent a text message to his  
13 son, which stated, in relevant part:

14 At 2 runs a day, 5 days a week, after paying the cost of material, at 12%  
15 yield, and \$12 per gram sell price, there should be \$39k in profit per month.  
16 If we say all business expenses are \$10k, including rent, utilities, supplies,  
17 has, food, etc. that should leave \$29k... We should each take 5k and put the  
18 other 19k in the safe... This doesn't count any harvest, that's simply 2 runs  
19 per day, 5 days per week at an average of 12% yield, with a sell price of a  
20 smidge over 5k per lb....

21 12. In the initial years of their operations, RHULE, along with Kenneth Warren  
22 Rhule, grew a portion of the marijuana plants they used to manufacture distillates and  
23 extracts.

24 a. For example, on October 10, 2014, RHULE sent the following  
25 picture, via text message, to Kenneth Warren Rhule, which depicted part of their  
26 marijuana grow:  
27  
28





b. Similarly, on May 16, 2015, RHULE also sent the following picture, via text message, to his son:



Along with this picture, RHULE stated “Not training for scrog since they are getting vert lighting also...” Based on my training and experience, and information gained during the course of this investigation, I recognize the term “scrog” to refer to a method of growing marijuana to increase yields.

13. After growing these plants, RHULE and his co-conspirators used them to manufacture marijuana distillates and extracts, include those referred to as “wax,” “shatter,” “clear,” and marijuana buds—products that contain THC and are regulated by the State of Washington.

a. For example, on October 22, 2014, Kenneth Warren Rhule texted RHULE the following picture:



Based on my training and experience, and other information learned during the course of this investigation, I know the product shown in photograph above is consistent with the marijuana distillate or extract referred to as “shatter.” In response to receiving this picture, along with others, RHULE replied “That first pic shows how clear it is! How long did you purge that? Is it the same stuff that you were making into pills. Or is that the stuff we pulled down?”

b. RHULE also discussed the extraction process with his son, including informing him of the steps RHULE had taken to manufacture marijuana distillates and isolates. For example, on July 19, 2015, RHULE sent his son the following messages, via text: “I did a bho run... I also did the initial purge/muffin. Two Slabs are in the oven (oven is off now) with a vac pulled but no heat. What r u doing today?”

#### **B. HerbinArtisans**



14. Starting no later than February 2015, RHULE, along with his co-conspirators, began manufacturing marijuana products using the company name HerbinArtisans. I believe that RHULE served as the Chief Executive Officer (“CEO”) of HerbinArtisans, for reasons described in further detail below.

**1. RHULE’s Use of the HerbinArtisans’ Google Account**

15. On February 10, 2015, Kenneth Warren Rhule registered for an enterprise account<sup>2</sup> with Google, using the domain name @herbinartisans.com. After this account was created, RHULE was assigned, and used, the email address ken@herbinartisans.com.

16. In addition to sending and receiving emails regarding HerbinArtisans’ grow operations, sales, and other items, RHULE and his co-conspirators used HerbinArtisans’ Google Drive folder to access and store files related to HerbinArtisans’ business, distillation and extraction process, and organization.

a. For example, in HerbinArtisans’ Google Drive, which RHULE had access to, there were logos for the company, including the following:



<sup>2</sup> A Google Enterprise account is a Google product that provides cloud computing, productivity, and collaboration tools for business clients. HerbinArtisans’ files were stored in a Google Drive account associated with Kenneth Warren Rhule’s kenny@herbinartisans.com account, and were shared with RHULE’s ken@herbinartisans.com account.

1           b.       Additionally, HerbinArtisans' Google Drive also held an  
2 organizational chart, created on January 18, 2016, which listed "Ken"—whom I believe  
3 to be RHULE—as the "CEO," while "Kenny"—a name used by Kenneth Warren  
4 Rhule—was listed as the "COO" of the organization. While this organizational chart is  
5 not titled, and does not state which organization it describes, I believe it is an  
6 organizational chart for HerbinArtisans. Notably, other individuals, known to also be  
7 associated with HerbinArtisans, were listed in subordinate roles with the titles "Garden  
8 technician," "Processing lead," "Processor," and "VP" on this chart.

9           **2.       RHULE's Involvement in Selling HerbinArtisans' Products**

10          17.       After forming HerbinArtisans, Kenneth Warren Rhule created an Instagram  
11 page to advertise and sell the company's products. The HerbinArtisans account was  
12 created on March 26, 2016, using the registered email address  
13 kenny@herbinartisans.com, used by Kenneth Warren Rhule.

14          18.       On January 29, 2020, the HerbinArtisans account had 324 posts, 1,058  
15 followers, and contained the description "PNW Extracts and Distillate[.] All our own  
16 work [.] Nothing for sale[.]" Previously, the HerbinArtisans account included the  
17 language "DM for inquiries[.] Bitcoin and Crypto Friendly." As of June 12, 2020, the  
18 account remained active, but has since been changed to a private page.

19          19.       The posts for this account include multiple photographs and videos, with  
20 the most recent posted on April 17, 2019. Some of these photographs are included  
21 below:  
22  
23  
24  
25  
26  
27  
28





herbinartisans Some more  
#goldenticket shatter, who's wants a  
golden ticket? #herbinartisans



herbinartisans Stable D9 #distillate  
#cat2



herbinartisans BCSP ready to go  
#herbinartisans #klearkrew #flower  
#mmj #seattle



herbinartisans Cookies coming out  
 #GSC #seattle #420 #710  
 #herbinartisans #klearkrew  
 #heady.watr

20. Based on my training and experience, the products shown in photographs above are consistent with various marijuana distillates and extracts, including those referred to as “shatter,” “oil”, “clear,” and marijuana buds.

21. In addition to posting photographs of marijuana distillates and extracts, Kenneth Warren Rhule and his co-conspirators also used the HerbinArtisans Instagram page to send and receive direct messages— private communications—with others regarding selling HerbinArtisans’ products. For example, the following communications were sent to and from the HerbinArtisans Instagram account:

a. On June 18, 2019, coastisclearnj messaged HerbinArtisans “You guys have any d9 liters in the 6-6.5 range? Crypto ready.”

b. On May 13, 2019, solteksolutions messaged HerbinArtisans “Can you contact me in regards to bulk shatter and distillate orders? I need 6 lb of shatter currently and 1L of clear distillate.”

c. On March 12, 2019 erikkve messaged HerbinArtisans “Warm greetings to you and your crew! . . . I’d like to inquire about a small order of raw distillate (for edible or dab use) . . . I’ve already sent my WA state medical card.” In response, HerbinArtisans directed erikkve to communicate via encrypted messaging service Wickr.

22. Based on my review of the Instagram direct messages, HerbinArtisans would often tell prospective clients to switch over to encrypted messaging services like

1 Wickr and Signal to continue negotiations for product sales. For example, on July 14,  
2 2017, northwest\_dabber sent a message to HerbinArtisans, stating “I Need a ticket on  
3 distillate gram syringes bulk and best quality nug run slabs or good white plant/trim  
4 runs.” In response, HerbinArtisans asked “You have signal” and provided a telephone  
5 number associated with Kenneth Warren Rhule.

6 23. Although it appears that Kenneth Warren Rhule was predominately  
7 responsible for selling marijuana products using the HerbinArtisans Instagram page,  
8 RHULE was also involved in selling marijuana distillates and extracts, including via  
9 Craigslist and the dark web.

10 a. For example, on November 12, 2015, RHULE texted Kenneth  
11 Warren Rhule stating, in part, “I’m putting out more ad’s with better keywords... There<sup>3</sup>  
12 ads don’t pop up with the keywords, and are pretty basic... I’m jazzing them ups bit and  
13 making them more visible, but wanted to set prices to be able to hand it off to them where  
14 they make a reasonable profit built in...” Five minutes after sending this text, RHULE  
15 also sent his son the following: “How much should I put in a Craig’s list as so they will  
16 be happy with the markup they make on the leads I forward to them?”

17 b. On December 22, 2015, RHULE emailed a Craigslist response to  
18 Kenneth Warren Rhule. The response stated “How much for a 4 gram eighth I live by  
19 manormarket off 164.” RHULE forwarded this response to Kenneth Warren Rhule,  
20 stating “Do you wanna help this guy he sounds close to you ...” Kenneth Warren Rhule  
21 replied to the Craigslist poster, stating “I can do \$100 for 4gr of shatter. It’s grape ape x  
22 middle fork.” Based on my training and experience, and information learned during the  
23 course of this investigation, I recognize these emails to describe the sale of marijuana  
24 products.

25  
26  
27  
28 <sup>3</sup> It appears that RHULE was referring to other employees of HerbinArtisans who were responsible for selling  
marijuana products.



1 c. In addition to selling marijuana products on Craigslist, RHULE also  
2 sold marijuana products on the dark web. For example, on April 24, 2015, RHULE  
3 texted Kenneth Warren Rhule, in relevant part, “Also, I have some KILLER deep web  
4 locations for selling...”

5 d. Similarly, on May 16, 2015, RHULE texted Kenneth Warren Rhule  
6 “Also, online deep web... Setup a couple order takers... The proceeds go into a bitcoin  
7 account we control... They send in the orders each day, we ship them, and we pay out the  
8 commission when the Bitcoin escrow is released...”

9 **3. RHULE’s Involvement in Acquiring Marijuana Trim**

10 24. While initially, RHULE and his co-conspirators grew at least a portion the  
11 marijuana plants used to manufacture distillates and extracts, they also purchased  
12 marijuana trim<sup>4</sup> from other growers in order to produce their marijuana products. Later  
13 in their operations, it appears that RHULE and his co-conspirators were predominately  
14 using purchased trim to manufacture their products.

15 a. For example, on August 15, 2015, RHULE texted Kenneth Warren  
16 Rhule “Did [C.E.] get with you for the trim contact? I gave him prepaid funds to get 13  
17 lbs, and told him to call me if we needed more). That with the 7 lbs we have wi[ll] be  
18 enough for full runs next week though.”

19 b. Similarly, on September 11, 2015, RHULE texted Kenneth Warren  
20 Rhule “When r u going to get trim, and how many pounds? Lemon skunk was 345 and  
21 produced 51... It smells incredible, but just a hair under 15%.

22 c. On December 4, 2015, RHULE sent an email to Kenneth Warren  
23 Rhule, forwarding a Craigslist email that said “have lb or 2 i’d like to have processed if  
24 you do such jobs. % to you. & can trade bud for your products.” Based on my training  
25

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26 <sup>4</sup> Trim is the waste product of the growing cannabis plants. Throughout the growing process the  
27 plants leaves are trimmed to focus on the buds produced by the plant. The buds are the most  
28 sought-after part of the plant. The trim produced is considered waste but has become a popular  
product to be used in the production of marijuana distillates.



1 and experience, and information learned during the course of this investigation, I know  
2 that bud refers to marijuana.

3 d. Kenneth Warren Rhule's personal Google account and iCloud  
4 account also contained photographs of marijuana trim, including the following  
5 photograph, last edited on January 7, 2018:



#### 6 7 8 9 10 11 12 13 14 15 16 **4. RHULE's Role in Distilling and Extracting Marijuana Products**

17 25. After obtaining the marijuana trim, RHULE, along with his co-conspirators,  
18 used that trim to manufacture marijuana distillates and extracts. RHULE participated in  
19 distilling and extracting marijuana products, including by drafting a distillation worksheet  
20 in an effort to standardize their operations.

21 a. For example, on January 10, 2016, RHULE sent Kenneth Warren  
22 Rhule an email, stating:

23 I quickly drafted a very basic extraction worksheet. This is a 1 page  
24 document that needs to follow the extraction process from the very  
25 beginning to the end. Its designed to place accountability on each the  
26 extract technician, and the purge technician. Additionally, its a document  
27 that will hang by clip on the column, to the stainless table, to the oven and  
28 act as a quick visual to each batch (with all the info we need). Take a look,  
I am sure it can be more robust, but this is just to get us going. We need

1 this in place Monday morning. Feel free to enhance it if.... Print out 50-  
2 100 of these at the shop and we need to make sure everyone uses them.

3 RHULE attached an “Extraction Process Worksheet” to the email, which listed items like  
4 “Trim weight,” “Strain used,” and “Concentrate packaged for sale.”

5 b. Similarly, on November 4, 2015, RHULE texted Kenneth Warren  
6 Rhule: “I did last night... Broke the assembly patty into 3 patties and muffins them...  
7 They initial purged out good at 104107. I flipped them and did a quick purge in the other  
8 side... They are probably 80% purged...” Based on my training and experience, along  
9 with information gathered during the course of this investigation, I recognize these  
10 statements to refer to marijuana distillation and extraction.

11 **5. RHULE’s Involvement in Recording HerbinArtisans’ Profits**  
12 **and Expenses**

13 26. In order to record HerbinArtisans’ sales, profits, expenses, invoices, and  
14 other data, RHULE used Xero, a cloud-based accounting software. RHULE, along with  
15 others, was responsible for updating Xero’s records.

16 a. According to information obtained from Xero, “Ken R,” using the  
17 email address krhule@icloud.com—an email address associated with RHULE, was listed  
18 as an active user for the account, with the following roles: “Financial Adviser; Standard;  
19 Manage Users; Payroll Administration; Subscriber; Bank Account Admin.” RHULE,  
20 using this account, was also listed as the primary “Subscriber” for the Xero account,  
21 while all other individuals were listed as “Invited User[s].”

22 b. RHULE logged into Xero and updated HerbinArtisans’ records over  
23 200 times from August 2015 until December 2019.

24 c. RHULE also advised others on how to record items in Xero. For  
25 example, on December 2, 2015, C.E. emailed RHULE and Kenneth Warren Rhule,  
26 stating “Hey guys, I took 2 oz of O.G. Kush to settle a personal debt. I’m not sure how  
27 we should enter it into the system.” Based on my training and experience, and  
28

1 information learned during the course of this investigation, I know that O.G. Kush refers  
2 to a marijuana product. That same day, RHULE responded:

3       Ok, thats a pretty simple transaction... Invoice the 2 ounces out to you at  
4       wholesale rate. When thats done let me know the invoice #, and I will go in  
5       to xero and apply payment in full to the invoice, but instead of having you  
6       pay that in cash, I will apply the payment to your advances instead. The net  
7       result would be the same as taking an advance for the wholesale price of the  
8       oil.

9       27.     Additionally, the Xero data indicates that RHULE is a part owner or  
10      operator of HerbinArtisans.

11         a.     According to an Income Statement saved in this account, from 2015  
12      until 2019, HerbinArtisans earned a "Total [Gross] Income" of \$13,710,069.27 and a  
13      "Net Income" of \$2,574,850.33.

14         b.     From August 2015 until April 2017, HerbinArtisans issued more  
15      than \$25,000 in payments to "Kenneth Rhule," "Ken R," or "Ken Rhule"—believed to be  
16      RHULE.

17         c.     From December 2015 until May 2018, "Kenneth J"—believed to be  
18      RHULE—also received more than \$150,000 in payments from HerbinArtisans for,  
19      among other things, payroll, expense reimbursement, and loan repayments.

### 20       **C. Search of HerbinArtisans' Production Facility**

21       28.     Since August 2016, HerbinArtisans has been extracting and distilling  
22      marijuana products at a property located at 29428 181st Street SE, Monroe, Washington,  
23      which is also assigned the address 29209 Cedar Ponds Road, Monroe, Washington  
24      (hereinafter referred to as the "Monroe Property"). On March 10, 2020, agents searched  
25      this location, along with others, pursuant to warrants.

26       29.     On March 10, 2020, RHULE was found to be living at the Monroe  
27      Property, in a residence located nearby the warehouse where marijuana products were  
28      being extracted. RHULE was present when law enforcement agents executed the search  
29      warrants. The distance between RHULE's residence (bottom of photograph with brown



1 roof) and the warehouse (top of photograph with white roof) is depicted in the following  
2 aerial surveillance photograph:



16  
17 30. As described below, during the search of the Monroe Property, agents  
18 located bulk marijuana, marijuana distillates, and drug paraphernalia, among other items.

19 a. Inside a warehouse located on the property, agents found processing  
20 equipment and materials dedicated to the extraction and concentration of marijuana  
21 including: various types of industrial-grade machinery, steel tables, industrial amounts of  
22 dry ice, dry-ice storage bin coolers, metal cylinders of various sizes, flexible metal hoses,  
23 pressure cylinders, various pumps, industrial scales, stainless steel pressure cylinders,  
24 pressure covers, vacuum pumps, electric motors, a mini dryer, a terpene trap, tube racks,  
25 mixers, chemistry mixers, multiple ovens and drying racks containing marijuana distillate  
26 products.

27 b. Inside the warehouse, agents also found associated materials and  
28 equipment, including a label maker, bins, buckets, industrial fans, multiple industrial



1 sized pressurized gas tanks, a shop-vac, heavy-duty dollies, ladders, welding equipment,  
2 industrial amounts of “monodisperse silica gel,” “aromatizing clay,” large quantities of  
3 mylar bags, multiple jars and lids, rubber gloves, and other items used to manufacture  
4 and produce controlled substances.

5           c.       Inside the warehouse, agents also found approximately 29 large  
6 garbage bags filled with marijuana plant material and multiple glass jars containing  
7 refined marijuana distillate products. Agents further found a large rotary evaporator with  
8 multiple large glass flasks, a heavy-duty press, and a 50-gallon tank of pressurized  
9 butane.

10           d.       Agents found numerous pre-printed documents headlined  
11 “Hydrocarbon Inventory Process worksheet” throughout the warehouse which detailed  
12 the weight and results of the extraction process. These pre-printed worksheets were  
13 completed with handwritten notes from various individuals whose identities have not  
14 been verified. Fields on the work sheet include: “Date” and “Assembly” (often filled out  
15 with a name or left blank). Each worksheet contained information for four “columns”  
16 (steel cylinders used to extract THC) with a “weight” and “strain” field for each column.  
17 Three fields for “Wet Weight,” “Dry Weight,” and “Slab Count” were present.

18           e.       Between the residence, where RHULE was residing at the time, and  
19 the warehouse, investigators located a tent containing: (1) six 50-gallon drums of “N-  
20 Heptane,” a highly flammable alcohol used in the marijuana distillate extraction process;  
21 and (2) three assault rifles with loaded magazines. Next to the tent, investigators found a  
22 white 2008 Dodge Sprinter transport van. An extension cord running from a nearby shed  
23 into the front passenger side of the van was plugged into an electric air purifier which  
24 rested on the dashboard. Numerous small air-fresheners were scattered around the van.  
25 Modifications had been made to block the ventilation system along the front wall of the  
26 separate rear cargo transport area. Investigators believe that this cargo van was used to  
27 transport unprocessed marijuana plants for the production and manufacturing of  
28 marijuana distillate products.

1 f. In total, agents found approximately 1,000 kilograms of bulk  
2 marijuana or marijuana extracts, with packaging, when they executed search warrants in  
3 connection with this case in March 2020.<sup>5</sup> Approximately 986.4 of these kilograms were  
4 located in the warehouse on the Monroe Property.

5 31. In the Instagram direct messages, HerbinArtisans described selling  
6 marijuana extracts and distillates manufactured at a facility in Monroe, Washington,  
7 believed to be the Monroe Property searched by law enforcement.

8 a. For example, on January 28, 2018, mike\_b\_dabbin sent a message to  
9 HerbinArtisans stating “Hey i used to get concentrates from you guys quite often . . . I  
10 was wondering if i could get a few slabs from you guys? Always love that terpy shatter.”  
11 In response, HerbinArtisans replied “we are actually a little deeper now in Monroe but  
12 we can cruise to Woodinville or closer when we meet.”

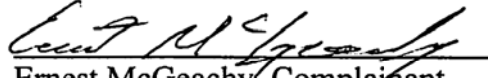
13 b. On January 25, 2018, kylelaroche messaged HerbinArtisans, stating  
14 “Hey I used to get some product from you guys . . . Is there anyone I could get linked up  
15 with to get some more?” In response, on February 4, 2018, HerbinArtisans messaged  
16 kylelaroche, stating “It would be tomorrow, he lives up north too and the shop is in  
17 Monroe.”

18 32. For his role in the conspiracy, on March 10, 2020, Kenneth Warren Rhule  
19 was arrested and charged with Conducting an Unlicensed Money Transmitting Business,  
20 in violation of 18 U.S.C. § 1960, Money Laundering, in violation of 18 U.S.C. § 1956,  
21 and Conspiracy to Manufacture and Distribute Marijuana, in violation of 21 U.S.C.  
22 §§ 841 and 846.  
23  
24  
25  
26  
27

28 <sup>5</sup> Law enforcement searched the Monroe Property, RHULE’s residence, RHULE’s vehicle, and RHULE’s person.  
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**CONCLUSION**

33. Based on the foregoing, I respectfully submit there is probable cause to believe that KENNETH JOHN RHULE has committed violations of Title 21, United States Code, Sections 841(a)(1), 841(b)(1)(A), and 846 (Conspiracy to Manufacture and Distribute Marijuana or Marijuana Distillates).

  
Ernest McGeachy, Complainant  
Special Agent  
Homeland Security Investigations

The above-named agent provided a sworn statement attesting to the truth of the contents of the foregoing Complaint and Affidavit on 1st day of July, 2020. Based on the sworn Complaint and Affidavit, the Court hereby finds that there is probable cause to believe the defendant committed the offenses set forth in the Complaint.

  
BRIAN A. TSUCHIDA  
United States Magistrate Judge